



Title: I, Payroll/Personnel Manual

Chapter: 28, Section 2, Tax Formulas (TAXES)

Bulletin: TAXES 05-1, Philadelphia, Pennsylvania, City Income Tax Withholding

Date: February 25, 2005

To: Holders of TAXES (State of Pennsylvania only)
Personnel User Groups
T&A Contact Points in Pennsylvania

Beginning with wages paid for Pay Period 4, the National Finance Center (NFC) will change the Philadelphia, Pennsylvania, city income tax withholdings. The city of Philadelphia considers the biweekly Federal Employees Health Benefits (FEHB) payment as taxable income; therefore, the biweekly FEHB payment will no longer be tax deferred for the withholding of Philadelphia city income tax.

No action on the part of the employee or the personnel office is necessary.

To view the updated tax formula, go to the NFC Home Page (www.nfc.usda.gov) and click **Pubs & Forms**. Then on the Pubs & Forms page left-hand menu, click **Tax Formulas** and select the appropriate state from the map provided. Changes to the tax formula are identified by “▶◀”.

For questions about NFC processing, contact the Payroll Operations Branch at **504-255-4630**. Please refer questions about system access and other system-related issues to Customer Support at **504-255-5230** or via e-mail at customer.support@usda.gov.

MARK J. HAZUDA, Director
Government Employees Services Division